

## 60TH LEGISLATURE—REGULAR SESSION

first Tuesday after the first Monday in November, 1968, at which election all ballots shall have printed on them the following:

"For the amendment of Article III of the Constitution to provide that Dallas County may issue road bonds under Section 52 of Article III upon a vote of a majority of the resident property taxpayers voting thereon who are qualified electors of said county, and to provide that bonds heretofore or hereafter issued under Subsections (a) and (b) of said Section 52 shall not be included in determining the debt limit prescribed in said Section."

"Against the amendment of Article III of the Constitution to provide that Dallas County may issue road bonds under Section 52 of Article III upon a vote of a majority of the resident property taxpayers voting thereon who are qualified electors of said county, and to provide that bonds heretofore or hereafter issued under Subsections (a) and (b) of said Section 52 shall not be included in determining the debt limit prescribed in said Section."

Sec. 3. The Governor of the State of Texas shall issue the necessary proclamation for the election and this amendment shall be published in the manner and for the length of time that is required by the Constitution and laws of the state. The publication of this Amendment shall be limited to the publication of Sections 1 and 2 of this Resolution only.

Passed by the Senate on April 11, 1967: Yeas 29, Nays 0; May 17, 1967, Senate concurred in House amendment: Yeas 28, Nays 2; adopted by the House on May 17, 1967, with amendment: Yeas 136, Nays 4. Signed by the Governor June 18, 1967.

## PROPOSED CONSTITUTIONAL AMENDMENT—STATE EMPLOYEES—RETIREMENT SYSTEM

S. J. R. No. 39

Proposing an amendment to Subsection (a) of Section 62, Article XVI of the Constitution of Texas, relating to establishment of a retirement, disability and death compensation fund for officers and employees of the state, so as to create as an agency of the State of Texas the Employees Retirement System of Texas, vesting the general administration and responsibility of the proper operation of said system in a state board of trustees to be known as the State Board of Trustees of the Employees Retirement System of Texas, authorizing said Board to invest assets of said system in various obligations and subjects of investment, subject to certain restrictions stated therein and such other restrictions as may hereafter be provided by law; providing that contributions of members and the state shall not exceed at any time six per centum (6%) of the compensation paid to each such person by the state; providing that such Amendment shall be self-enacting; providing for the necessary election, form of ballot, proclamation, and publication; and declaring legislative intent that the adoption of this Joint Resolution shall constitute repeal of Senate Joint Resolution No. 3, previously adopted by this the 60th Legislature, so that the proposition as set forth in this Resolution may be submitted to the voters of this state in lieu of the proposition contained in Senate Joint Resolution No. 3.

*Be it resolved by the Legislature of the State of Texas:*

Section 1. That Subsection (a) of Section 62, Article XVI of the Constitution of the State of Texas be amended so as to read hereafter as follows:

"Section 62. (a) The Legislature shall have the authority to levy taxes to provide a State Retirement, Disability and Death Compensation Fund for the officers and employees of the state, and may make such reasonable inclusions, exclusions, or classifications of officers and em-

## PROPOSED CONSTITUTIONAL AMENDMENTS

ployees of this state as it deems advisable. The Legislature may also include officers and employees of judicial districts of the state who are or have been compensated in whole or in part directly or indirectly by the state, and may make such other reasonable inclusions, exclusions, or classification of officers and employees of judicial districts of this state as it deems advisable. Persons participating in a retirement system created pursuant to Section 1-a of Article V of this Constitution shall not be eligible to participate in the Fund authorized in this subsection; and persons participating in a retirement system created pursuant to Section 48-a of Article III of this Constitution shall not be eligible to participate in the Fund authorized in this subsection except as permitted by Section 63 of Article XVI of this Constitution. Provided, however, any officer or employee of a county as provided for in Article XVI, Section 62, Subsection (b) of this Constitution, shall not be eligible to participate in the Fund authorized in this subsection, except as otherwise provided herein. The amount contributed by the state to such Fund shall equal the amount paid for the same purpose from the income of each such person, and shall not exceed at any time six per centum (6%) of the compensation paid to each such person by the state.

"There is hereby created as an agency of the State of Texas the Employees Retirement System of Texas, the rights of membership in which, the retirement privileges and benefits thereunder, and the management and operations of which shall be governed by the provisions herein contained and by present or hereafter enacted Acts of the Legislature not inconsistent herewith. The general administration and responsibility for the proper operation of said system are hereby vested in a State Board of Trustees, to be known as the State Board of Trustees of the Employees Retirement System of Texas, which Board shall be constituted and shall serve as may now or hereafter be provided by the Legislature. Said Board shall exercise such powers as are herein provided together with such other powers and duties not inconsistent herewith as may be prescribed by the Legislature. All moneys from whatever source coming into the Fund and all other securities, moneys, and assets of the Employees Retirement System of Texas shall be administered by said Board and said Board shall be the trustees thereof. The Treasurer of the State of Texas shall be custodian of said moneys and securities. Said Board is hereby authorized and empowered to acquire, hold, manage, purchase, sell, assign, trade, transfer, and dispose of any securities, evidences of debt, and other investments in which said securities, moneys, and assets have been or may hereafter be invested by said Board. Said Board is hereby authorized and empowered to invest and reinvest any of said moneys, securities, and assets, as well as the proceeds of any of such investments, in bonds, notes, or other evidences of indebtedness issued, or assumed or guaranteed in whole or in part, by the United States or any agency of the United States, or by the State of Texas, or by any county, city, school district, municipal corporation, or other political subdivision of the State of Texas, both general and special obligations; or in home office facilities to be used in administering the Employees Retirement System including land, equipment, and office building; or in such corporation bonds, notes, other evidences of indebtedness, and corporation stocks, including common and preferred stocks, of any corporation created or existing under the laws of the United States or of any of the states of the United States, as said Board may deem to be proper investments; provided that in making each and all of such investments said Board shall exercise the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent dis-

## 60TH LEGISLATURE—REGULAR SESSION

position of their funds, considering the probable income therefrom as well as probable safety of their capital; and further provided, that a sufficient sum shall be kept on hand to meet payments as they become due each year under such retirement plan, as may now or hereafter be provided by law. Unless investments authorized herein are hereafter further restricted by an Act of the Legislature, no more than one per cent (1%) of the book value of the total assets of the Employees Retirement System shall be invested in the stock of any one (1) corporation, nor shall more than five per cent (5%) of the voting stock of any one (1) corporation be owned; and provided further, that stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid cash dividends for ten (10) consecutive years or longer immediately prior to the date of purchase and which, except for bank stocks and insurance stocks, are listed upon an exchange registered with the Securities and Exchange Commission or its successors; and provided further, that not less than twenty-five per cent (25%) at any one time of the book value of investments of said Fund shall be invested in Government and Municipal Securities as enumerated above. This Amendment shall be self-enacting and shall become effective immediately upon its adoption without any enabling legislation."

Sec. 2. The foregoing Constitutional Amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on November 5, 1968, at which election all ballots shall have printed thereon the following:

"FOR the Constitutional Amendment amending Subsection (a) of Section 62, Article XVI of the Constitution of the State of Texas relating to the Employees Retirement Fund and the Employees Retirement System of Texas, revising provisions for investments of moneys and other assets of the Fund, and changing other existing provisions and making other new provisions with respect to the administration of the Employees Retirement System."

"AGAINST the Constitutional Amendment amending Subsection (a) of Section 62, Article XVI of the Constitution of the State of Texas relating to the Employees Retirement Fund and the Employees Retirement System of Texas, revising provisions for investments of moneys and other assets of the Fund, and changing other existing provisions and making other new provisions with respect to the administration of the Employees Retirement System."

Sec. 3. The Governor of Texas shall issue the necessary Proclamation for the election and this Amendment shall be published in the manner and for the length of time required by the Constitution and laws of this state.

Sec. 4. The present Resolution is adopted for the express purpose of replacing Senate Joint Resolution No. 3, previously adopted by this, the 60th Legislature, which Senate Joint Resolution No. 3 is expressly repealed by the adoption of this Resolution so that this Resolution, which correctly states a proposition erroneously stated in Senate Joint Resolution No. 3, may be submitted to the voters in lieu of Senate Joint Resolution No. 3.

Passed by the Senate on May 9, 1967: Yeas 29, Nays 0; adopted by the House on May 24, 1967: Yeas 140, Nays 0.

Signed by the Governor June 18, 1967.